

# **THE JACOBS REPORT**

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## **GOVERNOR ANNOUNCES MORE INSPECTIONS**

### **Plan Protects Michigan Consumers from Unscrupulous Gas Stations**

Governor Granholm announced a plan to increase gas pump inspections across the state. Michigan Department of Agriculture (MDA) Director Mitch Irwin has been asked to immediately transfer staff internally to increase manpower. The Governor also announced that the MDA will use \$1.3 million appropriated by the Legislature to hire additional inspectors.

“Increasing our inspection staff will allow us to double the number of gas stations and petroleum distributors that we inspect each year,” said Irwin. “That presence will help ensure customers that they are getting every penny in gasoline, diesel, and home heating fuel that they pay for.”

“With the national and international markets for gasoline and oil soaring out of control and the federal government sitting passively on the sideline, no single state has the power to control gas prices. So we must make sure, at the very least, that we use the power we do have—to ensure that consumers are getting what they pay for—especially right now, when we are paying too much,” said Granholm. “We will increase inspections to ensure that gas station equipment is working properly and to ensure that every complaint receives a thorough investigation.”

During their “May Day to Labor Day” Project last summer, MDA found that 29 percent of the state’s gas pumps failed to meet quality standards, including incorrect octane levels and sediment or water in the gas. An additional 12 percent failed to meet quantity standards meaning customers were paying for a different amount of gas than they received. As a result of the increased inspections, the number of fines issued more than doubled last year.

“Nearly 14 million gallons of gas are sold each day in Michigan,” said Granholm. “Getting shortchanged, even unintentionally in small amounts at the pump, adds up to real costs for Michigan families.”

In addition to increased inspections, the governor called for legislation requiring gas station operators prove that their pumps have been calibrated and are working properly when applying for their operator’s license renewal. State law requires that licenses are renewed annually.

The governor is also sending a letter to the federal Commodities Futures Trading Board requesting that they conduct an inquiry into all contributing factors in the recent price spikes, including any role speculators have played in driving the inflation-adjusted price of oil and gasoline toward historic high levels.

“With gasoline prices increasing at more than 10 times the general inflation rate over the past year, market participants at every level should welcome an immediate, aggressive and thorough review of all factors contributing to near record-high fuel prices,” Granholm wrote.

Most gas station operators are honorable members of Michigan’s businesses community. The increased inspectors will ensure not only that customers get what they pay for, but that those gas station dealers who cheat the market don’t gain an unfair edge in the marketplace.

If you experience a problem with a gas station, please contact the MDA at 1-800-MDA-FUEL or [www.michigan.gov/gasprices](http://www.michigan.gov/gasprices).

### **NCSL: FEDERAL PREEMPTION OF STATES IS A DISTURBING TREND**

Calling on Congress to resist the urge to preempt state authority, the state lawmakers from across the country kicked off their “Strong States, Strong Nation” Annual Meeting last week.

“There is an effort within the halls of Congress to centralize public policy decision making within the Washington beltway,” said Maryland Delegate John Hurson, former president of the National Conference of State Legislatures. “When Congress imposes a one-size-fits-all approach to a policy problem, they fail to recognize the individualism and uniqueness of each state threatening the collective strength of the states.”

NCSL’s latest Preemption Monitor and Mandate Monitor illustrate a continued trend towards federal preemption of state authority. Unfunded mandates from the feds are on the rise, as are cost-shifts for fiscal years 2004 and 2005. As the “Preemption Watch List” of state bills has grown to 27, unfunded mandates and shifts have ballooned to \$50 billion.

Two issues, one enacted and one pending, have generated intense concern among state lawmakers: the REAL ID Act and eminent domain.

Signed into law in May, the REAL ID Act was intended to create federal standards for the issuance of state driver’s licenses, a panacea of sorts that would prevent terrorists from skirting U.S. immigration laws.

“REAL ID handcuffs states with unworkable, unproven and costly rules that compel states to enforce federal immigration policy,” said New York Senator Michael Balboni, chair of NCSL’s Law and Criminal Justice Committee. “Rather, Congress should have sought to work with the states to advance the paramount objective of making state-issued identity documents more secure and verifiable.”

NCSL estimates that the collective cost of implementing REAL ID is in the range of \$9 - 13.3 billion.

State legislators are also concerned with the congressional reaction to the recent Supreme Court decision regarding eminent domain. In June, the Court ruled in *Kelo v. New London* that state

and local governments were within their right to allow eminent domain to be used for targeted economic development purposes.

“Too much attention has been focused on the specifics of the case which has no bearing on existing law,” said Illinois Senator Steve Rauschenberger, NCSL’s newly elected president. “What the Court said in the Kelo decision—in no uncertain terms—is that the issue of eminent domain is a state and local issue. Period.”

As a result, several measures have been introduced in Congress that would preempt the states' ability to determine how best to use eminent domain. The legislation would withhold federal transportation funds or community development funds if states did not conform their laws to meet federal standards.

### **TRAVELING HOME FOR THE HOLIDAY WEEKEND?**

Visit the Michigan Department of Transportation’s website first. Travel updates, lane closures, and construction progress are all listed for you information at: <http://www.michigan.gov/mdot>.

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All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/> .

State Senator Gilda Jacobs represents the 14<sup>th</sup> Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

**Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.**

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